

STATE OF TENNESSEE

Office of the Attorney General



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March 9, 2004

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Honorable Deborah Taylor Tate
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

**IN RE: TARIFF TO RECLASSIFY RATE GROUPING OF CERTAIN
BELLSOUTH EXCHANGES**

Docket 04-00015

Dear Chairman Tate:

Enclosed is an original and thirteen copies of the Affidavit of Mark Crocker of the Consumer Advocate and Protection Division in Opposition to BellSouth's Motion for Summary Judgment in regards to Docket No. 04-00015. Kindly file same in this docket. Copies are being sent to all parties of record. If you have any questions, kindly contact me at (615) 741-1671. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe Shirley".

Joe Shirley
Assistant Attorney General

CC. All Parties of Record

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**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
TARIFF TO RECLASSIFY RATE)	
GROUPING OF CERTAIN)	DOCKET NO. 04-00015
BELLSOUTH EXCHANGES)	
TARIFF NO. 2004-0055)	

**AFFIDAVIT OF MARK H. CROCKER, C.P.A. IN OPPOSITION TO BELLSOUTH
TELECOMMUNICATIONS, Inc's MOTION FOR SUMMARY JUDGMENT**

STATE OF TENNESSEE

DAVIDSON COUNTY

After having been duly sworn, I, Mark H. Crocker, do hereby depose and aver as follows:

1. I have been employed with the Consumer Advocate as a Regulatory Analyst since July of 2001. My duties include review of tariffs, reports, providing expert testimony when needed, extensive review of proposed rate schedules and providing accounting support in other areas as required by the Attorney General. The purpose of this affidavit is to document my opposition, based on my expert opinion and analysis, to certain conclusions put forward by BellSouth Telecommunications, Inc. ("BellSouth") in this docket regarding the increase in local exchange rates as a result of BellSouth's regrouping proposal.

2. I have been employed in the CAPD since July of 2001. Prior to my employment with the Attorney General, I was employed in private practice for approximately two and one-half years; as the CFO of a private company for approximately one year; as the Vice-President of Finance and Chief Operating Officer of the Cumberland Science Museum for five years; as an Internal Revenue

Agent with the Internal Revenue Service for five years; and as an auditor for the Division of Municipal Audit of the State Comptroller's Office for a little over a year. I have also served as an adjunct professor of accounting at Middle Tennessee State University for approximately ten years. I have a Bachelor of Fine Arts degree from Middle Tennessee State University with a major in American History and later completed the requirements to add accounting as a second undergraduate major in August of 1986. I have a Master of Arts degree from Middle Tennessee State University in American History with an emphasis in Historic Preservation. I am also a Tennessee Certified Public Accountant, a member of the American Institute of Certified Public Accountants ("AICPA"), and a member of the Tennessee Society of Certified Public Accountants ("TSCPA").

3. The Service Price Index ("SPI") is a price regulation calculation that is included in BellSouth's annual price cap filing. *Order Approving Price Regulation Filing by BellSouth Telecommunications, Inc.*, Docket No. 03-00384 (Tenn. Reg. Auth. Jan. 15, 2004); *Order Approving BellSouth Telecommunications, Inc.'s Application for Price Regulation Plan*, Docket No. 95-02614, p. 21 (Tenn. Reg. Auth. Dec. 9, 1998).

4. The SPI is computed in order to isolate revenue changes attributable only to service price adjustments. The index is a mathematical comparison of revenues generated from current-year telephone rates based on current-year volumes relative to revenues generated from base-year telephone rates based on current-year volumes. *Order Approving Price Regulation Filing by BellSouth Telecommunications, Inc.*, Docket No. 03-00384 (Tenn. Reg. Auth. Jan. 15, 2004); *Order Approving BellSouth Telecommunications, Inc.'s Application for Price Regulation Plan*, Docket No. 95-02614, p. 21 (Tenn. Reg. Auth. Dec. 9, 1998).

5. The computation can be expressed as follows:

$$SPI = R_1 \div R_0.$$

$$R_1 = P_1 \times Q_1$$

$$R_0 = P_0 \times Q_1$$

P_1 = current-year service prices billed to customers at the year of the annual filing.

P_0 = base-year service prices billed to customers on December 1, 1998.

Q_1 = current-year volumes or quantities at the year of the annual price cap filing.

6. If approved and allowed to become effective, Tariff No. 2004-0055 would cause the current-year service prices billed to customers (P_1) to increase.

7. In order for Tariff No. 2004-0055 to have no affect on BellSouth's price regulation plan, the base-year service prices (P_0) of affected customers must be adjusted to reflect the base-year service prices (P_0) that would have applied to them assuming that Tariff No. 2004-0055 was in effect on December 1, 1998.

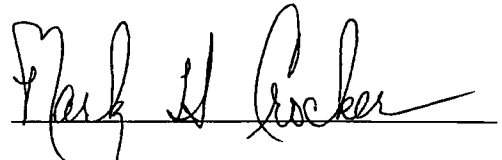
8. On the annual price regulation schedules filed to compute the SPI for BellSouth's price regulation plan, the aforementioned adjustments to current-year service prices (P_1) and base-year service prices (P_0) may be accomplished by moving the volumes or quantities associated with customers affected by Tariff No. 2004-0055 to their new rate group categories per BellSouth's rate group reclassification proposal.

9. In order to determine whether price discrimination among utility ratepayers is just and reasonable, the cost of providing the underlying service to affected customers and customer classes should be considered and accounted for in any such determination.

10. I have reviewed the record in this docket, and to my knowledge there is no such cost of service information in this record.

11. I affirm that the statements contained in this affidavit are true and accurate based on my personal knowledge and expert opinion.

FURTHER THE AFFIANT SAITH NOT.

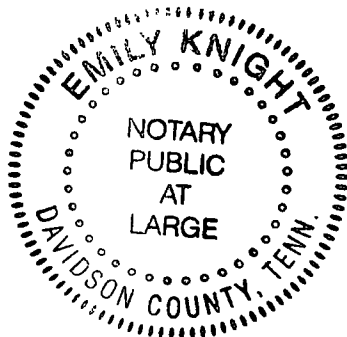

MARK H. CROCKER

Sworn to and subscribed before me
this 9th day of March, 2004


NOTARY PUBLIC

My commission expires: 9/22/07

73474



My Commission Expires SEPT 22, 2007

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Initials 